

## Message Text

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INFO AMEMBASSY TEGUCIGALPA  
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C O N F I D E N T I A L SECTION 1 OF 7 SAN JOSE 1461

E.O. 11652: GDS  
TAGS: AMGT, PFOR, GT, ECRP, CS  
SUBJECT: POLICY AND RESOURCE MANAGEMENT REVIEW (PARM)

REFS: STATE 38356, 45461; CERP 0001

PART I

A. INTERESTS:

(1) THE PRIMARY U.S. INTEREST IN COSTA RICA IS POLITICAL  
IN NATURE AND DERIVES FROM: A) COSTA RICA'S STATUS AS THE  
OLDEST, MOST STABLE PRACTICING DEMOCRACY IN LATIN AMERICA;  
B) COSTA RICA'S EXEMPLARY RECORD ON HUMAN RIGHTS; C) COSTA RICA'S  
LEADERSHIP AND INFLUENCE -- GREATLY DISPROPORTIONATE TO ITS SIZE  
AFD POWER -- IN THE RESOLUTION OF HEMISPHERIC AND INTERNATIONAL  
POLITICAL AND ECONOMIC ISSUES. THESE FACTORS COMBINE TO ATTACH  
TO THE BILATERAL RELATIONSHIP WITH COSTA RICA A HIGH OPPORTUNITY  
VALUE FOR THE U.S. TO PROMOTE AND TO DEMONSTRATE A POSITIVE  
LINKAGE BETWEEN U.S. VALUES AND IDEALS AND U.S. FOREIGN POLICY,  
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AND TO DRAW VALUABLE SUPPORT IN THE PURSUIT OF BROAD HEMISPHERIC  
AND GLOBAL GOALS, E.G., A MORE PEACEFUL AND STABLE WORLD ORDER;  
SECURITY OF THE HEMISPHERE, ETC. ANOTHER CONSIDERATION WHICH  
MAKES COSTA RICA (AND ITS NEIGHBORS) POLITICALLY IMPORTANT TO THE  
U.S. IS THIS COUNTRY'S GEOGRAPHIC PROPINQUITY. COSTA RICA'S  
LOCATION IN THE U.S. "BACKYARD" MAGNIFIES THE DOMESTIC IMPACT  
OF POLITICAL DEVELOPMENTS HERE AND TO SOME EXTENT INFLUENCES

WORLD PERCEPTIONS OF U.S. POWER.

(2) THE SECOND MAJOR U.S. INTEREST IN COSTA RICA DERIVES FROM COSTA RICA'S ABILITY TO CONTRIBUTE IMPORTANTLY TO THE LONG-TERM ECONOMIC PROSPERITY OF THE U.S. COSTA RICA HAS IMMENSE UNDEVELOPED HYDROELECTRIC AND GEOTHERMAL POTENTIAL WHICH COULD BE EXPLOITED TO PRODUCE ALUMINUM FOR THE U.S. MARKET, THUS SIGNIFICANTLY EASING ENERGY REQUIREMENTS IN THE U.S. TRADE, FINANCIAL AND INVESTMENT TIES BETWEEN THE U.S. AND COSTA RICA, WHILE NOT IMPRESSIVE AS A PERCENTAGE OF U.S. FOREIGN TRADE AND INVESTMENT, ARE STILL SIGNIFICANT IN ABSOLUTE TERMS, AND THERE ARE OPPORTUNITIES FOR GROWTH. COSTA RICA IS ALSO A RELIABLE SUPPLIER OF TROPICAL PRODUCTS WHICH FIGURE IMPORTANTLY IN THE LIFE STYLE OF THE AMERICAN CONSUMER.

(3) THERE ARE OTHER IMPORTANT FACTORS AFFECTING COSTA RICA AND THE FUTURE U.S.- COSTA RICAN RELATIONSHIP WHICH CONSTITUTE COMPELLING REASON TO ENGAGE AND MAINTAIN THE POLICY ATTENTION OF THE U.S. THESE INCLUDE:

A) PATTERNS OF TOURISM, IMMIGRATION, AND CROSS-CULTURAL COMMUNICATION WHICH HAVE LED TO THE DEVELOPMENT OF CLOSE PERSONAL, FAMILY, AND INSTITUTIONAL TIES BETWEEN THE TWO COUNTRIES.

B) COSTA RICA'S RELIANCE ON THE RIO TREATY (I.E., U.S. COMMITMENTS UNDER THAT TREATY) FOR ITS SECURITY.

C) THE PRESUMED LONG-TERM SOVIET OBJECTIVE OF NEUTRALIZING OR REPLACING U.S. INFLUENCE HERE, AND THE EFFECT SUCCESSFUL  
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ATTAINMENT OF THAT OBJECTIVE WOULD HAVE ON THE U.S. POSTURE IN LATIN AMERICA.

D) POSSIBLE FUTURE USE OF COSTA RICA AS A MAJOR TRANS-SHIPMENT POINT BY INTERNATIONAL NARCOTICS TRAFFICKERS.

PART I.

B. OVERVIEW:

(1) THE COUNTRY TEAM POSITS IN THIS PARM THAT IT IS IN THE U.S. INTEREST TO IDENTIFY AND COOPERATE WITH AND TO SUPPORT COSTA RICA. HERE IS AN UNDERDEVELOPED COUNTRY WHERE HUMAN RIGHTS ARE PAINSTAKINGLY RESPECTED AND DEMOCRATIC VALUES ARE CHERISHED, WHICH IS GEOGRAPHICALLY AND POLITICALLY CLOSE TO THE U.S., WHICH SHARES MANY HISTORICAL, INSTITUTIONAL, AND CULTURAL TIES WITH THE U.S., WHICH HAS A RELATIVELY EQUITABLE DISTRIBUTION OF WEALTH, AND WHICH HAS FORESWORN THE USE OF FORCE IN INTERNATIONAL CONFLICT RESOLUTION. BECAUSE COSTA RICA COMES SO CLOSE TO BEING

THE MODEL SMALL STATE IN A FUTURE WORLD ORDER BASED ON PEACE AND JUSTICE, IT IS IN OUR LONG-TERM INTEREST TO DO WHAT WE CAN TO ASSIST THIS COUNTRY TO CONTINUE AND TO PROSPER IN ITS PRESENT FORM. WE NOW ENJOY AN EXCELLENT BILATERAL RELATIONSHIP WITH COSTA RICA, AND WITH A MODEST INVESTMENT OF EFFORT AND RESOURCES WE CAN KEEP IT THAT WAY.

(2) PARTICULARLY AT A TIME WHEN U.S. POLICYMAKERS ARE CONSIDERING THE VIRTUE OR NECESSITY OF ACCOMMODATING OR ASSISTING IDEOLOGICAL PLURALISM IN THE CARIBBEAN, IT IS IMPORTANT TO REMEMBER, AND TO GIVE MEANINGFUL RECOGNITION TO, THE ONE NATION IN THIS AREA WITH A POLITICAL SYSTEM AND SET OF VALUES THAT MIRROR OUR OWN. IN THIS REGARD, COSTA RICA'S IMPECCABLE HUMAN RIGHTS RECORD IS OF HIGH INTEREST BECAUSE IT PROVIDES THE U.S. WITH A SINGULAR OPPORTUNITY TO DEMONSTRATE IN A POSITIVE WAY THE HIGH VALUE WE ATTACH TO THE HUMAN RIGHTS PERFORMANCE OF OTHER COUNTRIES.

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(3) ITS LOCATION IN THE U.S. BACKYARD ALSO GIVES COSTA RICA, AS WELL AS THE REST OF CENTRAL AMERICA, SOME OF THE SAME QUALITIES AND CONDITIONS OF SPECIAL IMPORTANCE TO THE U.S. AS ARE ATTACHED TO MEXICO AND THE CARIBBEAN ISLAND REPUBLICS. WHILE THESE NORMALLY COME INTO FOCUS IN CENTRAL AMERICA ONLY DURING MOMENTS OF POLITICAL CRISIS OR UPRISINGS, THEY HAVE BEEN AND SHOULD CONTINUE IMPLICITLY TO BE RECOGNIZED IN U.S. POLICY IN THE CENTRAL AMERICAN SUB-REGION.

(4) IN THE CONTEXT OF THE U.S. AND WORLD ENERGY CRISIS, COSTA RICA AND THE OTHER CENTRAL AMERICAN COUNTRIES ALSO OFFER REASON FOR SPECIAL INTEREST. IN COSTA RICA (AND SOME OF THE OTHER COUNTRIES) THERE ARE ENORMOUS UNEXPLOITED NON-FOSSIL ENERGY RESOURCES THAT COULD BE UTILIZED TO EASE U.S. ENERGY REQUIREMENTS. THIS PARM OFFERS AS AN ISSUE WHAT I CONSIDER TO BE AN IMAGINATIVE PROPOSAL FOR THE UTILIZATION OF COSTA RICA'S HYDROELECTRIC POTENTIAL AS AN ALTERNATIVE SOURCE OF ENERGY FOR U.S. ALUMINUM

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PRODUCERS.

(5) COSTA RICA'S VALUE AS A COLLABORATOR, SUPPORTER, OR MODERATOR ON MULTILATERAL ISSUES OF IMPORTANCE TO THE U.S. WILL G KELY BE CONTINUED OVER THIS PARM'S TIME FRAME. THE COUNTRY'S PRESTIGE AND INFLUENCE -- GREATLY DISPROPORTIONATE TO ITS SIZE -- GENERALLY HAVE BEEN EXERCISED TO THE ADVANTAGE OF U.S. POSITIONS AND OBJECTIVES IN THE UN, THE OAS, AND IN OTHER MULTILATERAL ORGANIZATIONS AND INTERNATIONAL FORA. ON NORTH-SOUTH QUESTIONS, WHERE COSTA RICA GENERALLY IDENTIFIES WITH THE SOUTH, IT NEVERTHELESS SEEKS COMPROMISE RATHER THAN CONFRONTATION. SHOULD THE U.S. DESIRE EVEN GREATER COOPERATION AND HELPFULNESS ON SPECIFIC ISSUES, E.G., HUMAN RIGHTS INITIATIVES, THE PANAMA CANAL NEGOTIATIONS, SOME INCREASE IN BILATERAL CONSULTATION AND JOINT PLANNING WOULD PROBABLY BE REQUIRED.

(6) WHILE A RESPONSIVE U. S. POSTURE VIS-A-VIS COSTA RICA WILL HELP PRESERVE WHAT IS NOW AN EXCELLENT BILATERAL RELATIONSHIP, IT IS QUITE CLEAR THAT FUTURE COSTA RICAN PERCEPTIONS OF THE U.S., AND COSTA RICAN POLICY DECISIONS FLOWING FROM THOSE PERCEPTIONS, ALSO WILL BE HEAVILY INFLUENCED BY THE ABILITY OF THE U.S.G. TO SHAPE A COHERENT, FLEXIBLE, AND RESPONSIVE APPROACH TO NORTH-SOUTH ISSUES. COSTA RICA, WITH MANY MEMBERS OF THE SOUTH CAMP, BELIEVES THAT UNDER NORMAL CONDITIONS A FREE MARKET APPROACH TO WORLD TRADE BENEFITS ESSENTIALLY THE NORTH NATIONS AND THE ESTABLISHED PRODUCERS. COSTA RICA IN PARTICULAR WOULD LIKE TO SEE

THE U.S. LEAD IN THE DEVELOPMENT OF INTERNATIONAL AGREEMENTS CONCERNING WORLD TRADE IN VOLATILE COMMODITY MARKETS, AND ESPECIALLY AGREEMENTS THAT WOULD IMPROVE AND STABILIZE TRADING CONDITIONS FOR SUGAR AND BANANAS. IN ANY EVENT, IF OUR TRADE POLICIES ARE NOT PERCEIVED BY MODERATE COSTA RICA AS RESPONSIVE TO LDC PROBLEMS AND CONCERNS, THEN WE HAVE LITTLE HOPE THAT THEY WILL BE  
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ACCEPTABLE TO OTHERS. ON THE OTHER HAND, IF WE ARE ABLE TO DEVELOP SALABLE PROPOSALS ON NORTH-SOUTH ISSUES, COSTA RICA COULD BE HELPFUL TO US IN ADVOCATING THEIR ACCEPTANCE BY LESS MODERATE STATES WITH WHICH IT HAS INFLUENCE.

(7) BARRING A SIGNIFICANT BREAKTHROUGH IN GENEVA OR OTHER PROGRESS ON THE NORTH-SOUTH FRONT, WE CAN EXPECT THAT COSTA RICA WILL LOOK TO THE U.S. FOR SPECIAL CONSIDERATION IN BILATERAL TRADE AFFAIRS AND WILL CONTINUE TO URGE THE U.S. TO ADOPT A PREFERENTIAL TRADING ARRANGEMENT FOR LATIN AMERICA. ON THE LATTER POINT, THE CONTINUING IMPRESSION AMONG GOCR OFFICIALS IS THAT MOST LATIN AMERICAN NATIONS WOULD WELCOME SUCH AN ARRANGEMENT AND WOULD NOT BE DISMAYED BY ANY PATERNALISTIC OR HEGEMONIC FLAVORH  
T MIGHT HAVE. IF, AS WE INFER FROM ARA  
POLICY PAPERS, THE COSTA RICANS ARE MISINFORMED IN THIS MATTER, IT WOULD HELP OUR FUTURE DIALOGUE TO SHOW THEM THE BASIS FOR OUR OWN CONCLUSIONS.

(8) WE CAN EXPECT COSTA RICA TO LOBBY HARD FOR SPECIAL CONSIDERATION IN BILATERAL TRADE MATTERS THIS YEAR EVEN THOUGH THE ECONOMY IS CURRENTLY QUITE HEALTHY. THERE IS GREAT EXPECTATION HERE THAT AS A COOPERATIVE LDC WITH A GENUINELY DEMOCRATIC TRADITION AND AN EXCELLENT HUMAN RIGHTS PERFORMANCE, COSTA RICA WILL FIND IN THE NEW U. S. ADMINISTRATION A SYMPATHETIC RESPONSIVENESS TO ITS TRADE PROBLEMS. THE GOCR HAS BEEN HIGHLY GRATIFIED BY PRESIDENTIAL DECISIONS NOT TO APPLY RESTRICTIONS IN THE TRADE OF MUSHROOMS AND NON-RUBBER FOOTWEAR, AND HOPES THAT COSTA RICA WILL BE SPARED FROM ANY MEASURES TO RESTRICT TRADE IN CUT FLOWERS OR TO TIGHTEN UP OR END "DRAWBACK" INDUSTRY TRADE ADVANTAGES. ALMOST CERTAINLY COSTA RICA WILL PRESS  
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OD AGAIN FOR AN INCREASE IN ITS VRS LEVEL FOR MEAT,  
ARGUING INTER ALIA THAT THE CURRENT FORMULA FOR "QUOTA"  
DISTRIBUTION DISCRIMINATES UNFAIRLY AGAINST SMALL PRODUCERS  
WHO ARE RELATIVELY NEW IN THE MEAT TRADE. WE CAN ALSO  
EXPECT COSTA RICA TO WELCOME AND EVEN TO SEEK REINSTITUTION OF THE U.S. SUGAR QUOTA AT A LEVEL THAT WILL ASSURE COSTA RICA A REASONABLE SHARE OF THE U.S. MARKET. AT THE SAME TIME COSTA RICA WOULD LIKELY PROTEST BITTERLY AND LICENSE-AUCTIONING SYSTEM DESIGNED TO GIVE THE U.S. TREASURY RATHER THAN THE PRODUCING COUNTRY THE "WINDFALL" PROFITS OF TRADE IN THE U.S. SUGAR MARKET UNDER A QUOTA SYSTEM.

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(9) NOTWITHSTANDING A CURRENTLY-HEALTHY ECONOMY AND AN IMPRESSIVE SET OF DEVELOPMENTAL INDICATORS, BILATERAL ECONOMIC ASSIYSANCE WILL CONTINUE TO FORM AN IMPORTANT PART OF OUR OVERALL RELATIONSHIP WITH COSTA RICA. THIS WILL NOT BE PERCEIVED AS A SUBSTITUTE FOR FAVORABLE ACTION ON TRADE AND COMMODITY PROBLEMS BUT AS ASSISTANCE THAT HAS A SEPARATE RATIONALE AND JUSTIFICATION AND WHICH RESPONDS TO OTHER NEEDS. MOREOVER, COSTA RICA IS AN APPROPRIATE COUNTRY IN WHICH TO FORUMULATE A PROTOTYPE STRATEGY FOR U.S.G. COOPERATION WITH MIDDLE-INCOME NATIONS AND WE ARE

CURRENTLY ENGAGED IN THIS TASK. ITS ECONOMIC AND SOCIAL DEVELOPMENT POLICIES AND PROGRAMS ARE HIGHLY CONGRUENT WITH THE

CRITERIA ESTABLISHED BY CONGRESS FOR SELECTING BENEFICIARIES OF AID ASSISTANCE. THIS CONVERGENCE OF U.S. AND GOVERNMENTAL OBJECTIVES, TOGETHER WITH COSTA RICA'S PROPENSITY TO DEVELOP CAPACITY FOR INNOVATIVE DEVELOPMENTAL INITIATIVES, MAKES IT AN EFFECTIVE PROVING GROUND FOR TESTING NEW APPROACHES FOR MEETING AID'S MANDATE.

IB(10) THE QUESTION OF WHETHER TO CONTINUE U.S.G. SUPPORT OF THE CENTRAL AMERICAN INTEGRATION MOVEMENT PERHAPS NEEDS BE RESOLVED  
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SHORTLY. THIS MISSION IS PREPARED TO ACCEPT WHAT APPEARS TO BE A CONSENSUS FEELING THAT SUCH ASSISTANCE SHOULD BE PHASED OUT IF SOME FORWARD PROGRESS IS NOT ACHIEVED THIS YEAR. FROM THE COSTA RICAN PERSPECTIVE, HOWEVER, IT WOULD BE IMPORTANT TO COMMUNICATE CLEARLY IN ADVANCE THAT THE U.S.G. IS CONSIDERING PHASE-OUT OF ROCAF AND WHY. IT WOULD ALSO BE IMPORTANT TO STRETCH THE PHASE-OUT PERIOD OVER SEVERAL YEARS IN ORDER TO BE ABLE TO START UP AGAIN IN THE EVENT A BREAKTHROUGH WERE TO OCCUR.

(11) WHILE THE VESCO CASE IS NOT ADDRESSED IN THIS PARM, IT SHOULD BE RECORDED HERE THAT U.S.G. CREDIBILITY IS AT STAKE IN THIS CASE, THAT WE HAVE ONLY THREE MONTHS REMAINING IN WHICH WE CAN BE CERTAIN TO BE ABLE TO FILE AN EXTRADITION REQUEST, THAT THE VESCO CASE IS STILL THE ONLY SERIOUS IRRITANT IN WHAT IS OTHERWISE AN UNCOMMONLY SMOOTH BILATERAL RELATIONSHIP, AND THAT VESCO IS STILL PERCEIVED HERE AS A SERIOUS THREAT TO COSTA RICAN DEMOCRACY.

(12) ONE ADDITIONAL FACTOR CONCERNING VESCO'S POSSIBLE EXTRADITION NEEDS BE MENTIONED. THE LONGER WE DELAY IN FILING AN EXTRADITION REQUEST, THE MORE LIKELY IT BECOMES THAT ANY U.S.G. ACTION REGARDING VESCO WILL BE INTERPRETED AS DESIGNED TO IMPACT ON THE FEBRUARY 1978 PRESIDENTIAL ELECTIONS. THIS WOULD BE AN EXTREMELY HARMFUL DEVELOPMENT IN TERMS OF THE U.S. POSTURE HERE. IT WOULD BE PARTICULARLY TRAGIC BECAUSE THE U.S. OTHERWISE HAS NO INTERESTS THAT COULD BE THREATENED OR ADVANCED EITHER BY CONTINUATION IN POWER OF THE GOVERNMENT PARTY OR ELECTION OF THE OPPOSITION. THE GOVERNMENT PARTY AND THE MAJOR OPPOSITION GROUPS ARE ALL FIELDING CANDIDATES WITHIN THE MODERATE SOCIAL DEMOCRATIC TRADITION THAT DOMINATES COSTA RICAN POLITICS AND WHO COULD BE EXPECTED TO FORM GOVERNMENTS AND ADOPT POLICIES HIGHLY COMPATIBLE WITH OUR OWN. IN HANDLING OF THE VESCO CASE, (- 23) - 8, -) 95#34 ?8)-534-) -5534 , WE MUST TAKE GREAT CARE NOT TO AROUSE SUSPICIONS OR CHARGES OF U.S.G. INTERFERENCE IN THIS ELECTION.

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(13) ASSUMING A RESPONSIVE U.S.G. POSTURE, THE REMARKABLE COMPATIBILITY BETWEEN COSTA RICA AND THE U.S. IS LIKELY TO CONTINUE THROUGHOUT THE PERIOD OF INFLUENCE OF THE PRESENT GENERATION OF COSTA RICAN NATIONAL LEADERSHIP. HOWEVER, IT WOULD BE ERRONEOUS TO ASSUME THAT THE NEXT GENERATION OF COSTA RICAN LEADERS WILL BELIEVE THAT COSTA RICA'S INTERESTS ARE BEST SERVED BY A CLOSE AND COOPERATIVE RELATIONSHIP WITH THE U.S. OR EVEN THE CONTINUATION OF COSTA RICA AS A DEMOCRACY. WE HAVE GOOD REASON TO CONCLUDE THAT A MAJOR INTEREST OF THE SOVIET UNION IN COSTA RICA IS TO POSITION ITSELF NOW TO EXERCISE FUTURE INFLUENCE OVER COSTA RICAN POLITICAL AND ECONOMIC DEVELOPMENT. WHILE THE U.S. NEED NOT BE UNDULY ALARMED OVER THIS SOVIET EFFORT, IT IS CLEARLY NOT IN THE U.S. INTEREST TO SIT BACK AND WAIT TO SEE WHAT SUCCESS IT MIGHT HAVE. WITHOUT RE-INTRODUCING THE COLD WAR-STYLE COMPETITION INTO COSTA RICA, THE U.S.G. SHOULD TAKE CARE TO PROTECT ITS FUTURE INTERESTS HERE BY CONTRIBUTING TO THE INTELLECTUAL FORMATION AND PERSPECTIVE OF THE NEXT GENERATION OF COSTA RICAN LEADERS. WE AGAIN HAVE SO PROPOSED IN THIS PARM

PART I.

C. U.S. OBJECTIVES AND COURSES OF ACTION:

(1) PROMOTE HUMAN RIGHTS:

A) DEMONSTRATE U.S. COMMITMENT ON HUMAN RIGHTS ISSUES THROUGH A POLICY RECOGNIZING AND REWARDING COSTA RICA'S EXEMPLARY HUMAN RIGHTS RECORD.

B) TAKE ADVANTAGE OF COSTA RICA'S UNIQUE INTERNATIONAL POSITION AND RECORD JOINTLY TO PLAN AND PROMOTE HUMAN RIGHTS INITIATIVES IN THE UN AND THE OAS.

(2) REFLECT U.S. AFFINITY FOR DEMOCRATIC GOVERNMENT:

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DEMONSTRATE, THROUGH RESPONSIVENESS ON BILATERAL TRADE AND COMMODITY ISSUES, THROUGH CONTINUATION OF A PROGRAM OF BILATERAL DEVELOPMENTAL ASSISTANCE, AND THROUGH INCREASED PUBLIC RECOGNITIONS OF COSTA RICA'S DEMOCRATIC TRADITIONS, THAT THE U.S. HAS A CLEAR PREFERENCE FOR DEMOCRATIC GOVERNMENTS AND A CLEAR COMMITMENT TO ASSIST THEM WHERE SUCH ASSISTANCE IS NECESSARY. ALSO CRUCIAL TO THE ATTAINMENT OF THIS OBJECTIVE WOULD BE CONTINUATION OF THE BROAD RANGE OF OTHER PROGRAMS OF BILATERAL DEVELOPMENTAL ASSISTANCE CARRIED OUT BY THE PEACE CORPS AND THE IAGS, AS WELL AS THE SMALL FMS PROGRAM HANDLED



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(3) FOSTER U.S. ECONOMIC PROSPERITY BY:

A) OBTAINING ACCESS TO COSTA RICA'S MAJOR HYDRO-  
ELECTRIC POTENTIAL TO PRODUCE ALUMINUM FOR  
THE U.S. MARKET, THEREBY EASING U.S. FUEL  
IMPORT REQUIREMENTS.

B) CONTINUING THE COMMERCIAL ACTION PROGRAM TO  
PRESERVE AND EXPAND THE U.S. POSITION AS  
SUPPLIER OF ONE-THIRD OF COSTA RICA'S IMPORTS.

C) CONTRIBUTING TO THE STRENGTHENING OF THE COSTA  
RICAN ECONOMY AND THEREBY ITS POTENTIAL AS A  
MARKET BY:

1) COOPERATING IN THE DEVELOPMENT AND IMPLEMEN-  
TATION OF INTERNATIONAL COMMODITY ARRANGE-  
MENTS CONCERNING PRODUCTS OF INTEREST TO  
COSTA RICA; AND

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2) LIBERALIZING GSP BY RAISING THE  
COMPETITIVE NEED LIMITATION AND LOWERING  
THE VALUE-ADDED REQUIREMENTS FOR MEMBERS OF  
REGIONAL GROUPINGS.

(4) PRESERVE AND STRENGTHEN THE FAVORABLE U.S. POSITION  
VIS-A-VIS COSTA RICAN SOCIETY AND GOVERNMENT BY:

A) CONTRIBUTING TO THE FORMATION AND PERSPEC-  
TIVE OF FUTURE INTELLECTUAL LEADERS AND  
DECISION-MAKERS THROUGH AN INCREASED GRADUATE-  
LEVEL SCHOLARSHIP PROGRAM IN THE U.S. FOR  
FUTURE UNIVERSITY PROFESSORS.

B) CONTINUED FOCUSING OF CURRENT LEVELS OF  
PROGRAM RESOURCES INTO SELECTED CULTURAL AND  
INFORMATIONAL ACTIVITIES DESIGNED TO INFLUENCE  
FAVORABLY THE PERCEPTIONS AND RESPONSIVENESS  
OF CURRENT INTELLECTUAL, MEDIA, AND GOVERN-  
MENTAL LEADERS.

C) CONTRIBUTING TO THE INSTITUTION-BUILDING PROCESS  
AND THE PROLIFERATION AND FORTIFYING OF  
INSTITUTIONAL TIES BY:

1) CONTINUING THE AIFLD PROGRAM; AND

2) RESPONDING POSITIVELY TO COSTA RICAN  
IP REQUESTS FOR SHORT-TERM TECHNICAL  
ASSISTANCE  
IN AREAS BEYOND THOSE COVERED BY THE AID  
MANDATE (DURING THE PAST YEAR COSTA RICA  
HAS REQUESTED AND RECEIVED VALUABLE,  
AD HOC ASSISTANCE IN THE AREAS OF SOCIAL  
SECURITY ADMINISTRATION, DEVELOPMENT OF  
PHARMACEUTICAL TESTING STANDARDS AND PRO-  
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CEDES, DRAFTING OF A NEW IMMIGRATION  
LAW, AND PARK RANGER TRAINING).

D) TAKING FULL ADVANTAGE OF COSTA RICA'S FAVOR-  
ABLE LABORATORY CONDITIONS TO DEVELOP AND  
IMPLEMENT INNOVATIVE AID PROGRAMS.

E) INCREASING THE AVAILABILITY TO THE COSTA  
RICAN PUBLIC AND COSTA RICAN STUDENTS OF

SPANISH TRANSLATIONS OF BOTH U.S. LITERARY  
WORKS AND U.S. TECHNICAL AND EDUCATIONAL  
PUBLICATIONS.

PART I

D. ISSUES:

ISSUE NO. 1: PROMOTION OF HUMAN RIGHTS AND DEMOCRATIC  
SW VALUES AND IDEALS:

(1) STATEMENT:

A) HOW CAN THE U.S. TAKE ADVANTAGE OF THE  
SINGULAR OPPORTUNPOL OFFERED BY COSTA RICA TO  
DEMONSTRATE THE POSITIVE SIDE OF OUR INTEREST  
IN RESPECT FOR HUMAN RIGHTS AND TO PROMOTE OTHER  
DEMOCRATIC VALUES AND IDEALS?

(2) DISCUSSION:

FROM VARIOUS PRESIDENTIAL AND OTHER HIGH-LEVEL  
ADMINISTRATION STATEMENTS, WE INFER THAT THE U.S.G.  
WILL HENCEFORTH RECOGNIZE, SUPPORT, EVEN REWARD,  
AND IN GENERAL IDENTIFY WITH NEEDY COUNTRIES WHICH  
HAVE AN EXEMPLARY RECORD ON HUMACCRIGHTS ISSUES  
AND WHICH OTHERWISE RESPECT AND EMBRACE THE  
VALUES AND IDEALS BASIC TO OUR OWN FORM OF  
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GOVERNMENT. COSTA RICA IS SUCH A COUNTRY, ONE  
OF THE FEW IN LATIN AMERICA. IT IS PERHAPS THE  
ONE THAT PROVIDES THE MOST APPROPRIATE OPPOR-  
TUNITY TO DEMONSTRATE THE POSITIVE SIDE OF THE  
U.S. APPROACH TO THE HUMAN RIGHTS QUESTION.

(3) IT IS THE COUNTRY TEAM'S CONSIDERED JUDGMENT LAAT  
MEANINGFUL RECOGNITION OF COSTA RICA'S DEMOCRATIC AND  
HUMAN RIGHTS RECORD MUST ADD A NEW DIMENSION TO OUR  
HISTORICALLY CLOSE BILATERAL RELATIONSHIP. POLITICALLY,  
THE U.S.G. COULD BEST EXPRESS RECOGNITION BY INCLUDING  
COSTA RICA AS A STOP IN ANY PRESIDENTIAL OR VICE-PRESIDENTIAL  
VISIT TO LATIN AMERICA. THIS WOULD SINGLE OUT COSTA  
RICA AS A COUNTRY OF OUR PARTICULAR ESTEEM. BUT, AS WE  
LEARNED ONE YEAR AGO, SUCH POLITICAL GESTURES, IN AND  
OF THEMSELVES, ARE INADEQUATE RESPONSES TO COSTA RICAN  
EXPECTATIONS. EFFECTIVE AND MEANINGFUL U.S. RECOGNITION  
OF COSTA RICA AS A DEMOCRACY AND HUMAN RIGHTS LEADER IN  
THE THIRD WORLD MUST THEREFORE ADDRESS COSTA RICA'S  
ECONOMIC NEEDS AND PROBLEMS. CONTINUED DEVELOP-  
MENTAL ASSISTANCE EFFORTS WILL HELP, ALTHOUGH THEY

WOULD HELP MORE IF WE COULD AVOID IMPOSING THE HARDER  
LOAN TERMS THAT ARE NOW PROJECTED. THE CRUNCH  
QUESTION FOR COSTA RICA CENTERS ON CONDITIONS,  
ARRANGEMENTS, AND LEVELS OF TRADE. THE COUNTRY TEAM  
IS PAINFULLY AWARE THAT THE KEY TRADE ISSUES FOR  
COSTA RICA ARE GLOBAL AND/OR HEMISPHERIC IN NATURE  
AND CANNOT BE RESOLVED IN A BILATERAL CONTEXT. WE  
ALSO RECOGNIZE THAT RESOLUTION OF THESE "NORTH-SOUTH"  
ISSUES WOULD DO MORE TO MEET COSTA RICAN NEEDS AND  
EXPECTATIONS THAN MORE LIMITED MEASURES INTENDED TO  
PROVIDE DIFFERENTIAL TREATMENT FOR COSTA RICA BECAUSE  
OF ITS LAUDATORY HUMAN RIGHTS PRACTICES AND ITS SUB-  
SCRIPTION TO OUR SAME POLITICAL IDEALS. RECOG-  
NIZING, THEN, THAT ADOPTION OF THE MEASURES OUTLINED BELOW  
ADDRESS ONLY PART OF THE PROBLEM, WE PROPOSE:  
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RECOMMENDATION:

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R 061645Z APR 77  
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TO SECSTATE WASHDC 6963  
INFO AMEMBASSY TEGUCIGALPA  
AMEMBASSY MANAGUA  
AMEMBASSY GUATEMALA  
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(4) -- THAT THE DEPARTMENT MAKE A POLICY DETERMINATION AS TO  
WHETHER COSTA RICA -- BECAUSE OF ITS OUTSTANDING HUMAN RIGHTS

PERFORMANCE, ITS DEMOCRATIC SYSTEM, AND ITS VALUABLE ASSISTANCE  
IN MANY MULTILATERAL ISSUES -- IS TO BE THE OBJECT OF SPECIAL  
ATTENTION AND RECOGNITION BY THE U.S.G.

(5) -- THAT IF SUCH A POLICY AS ADOPTED, IT PUBLICLY BE LINKED  
TO THE STATED U.S. DESIRE TO WORK AND IDENTIFY WITH HUMAN RIGHTS  
RESPEKQING DEMOCRACIES SUCH AS COSTA RICA. THAT THE ACTIONS  
FLOWING FROM THAT POLICY INCLUDE:

A) COMMODITIES AND TRADE:

1) INCREASE COSTA RICA'S MEAT QUOTA, PERHAPS BY PROVIDING FOR  
REGIONAL REALLOCATION OF SHORTFALLS WITHIN THE HEMISPHERE OR  
AT LEAST WITHIN THE CACM.

2) EXEMPT COSTA RICA, AS A SMALL SUPPLIER, FROM ANY QUOTAS OR  
ORDERLY MARKETING ARRANGEMENTS THAT MIGHT BE IMPOSED AS A RESULT  
OF ITC CASES, E.G., FOR CUT FLOWERS. (ALREADY DONE IN THE  
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CASE OF MUSCHROOMS, AND NON-RUBBER FOOTWEAR).

3) EXEMPT COSTA RICAN CHAYOTE FROM THE 50 PERCENT COMPETITIVE  
NEED LIMIT FOR GSP. (THIS COULD BE PART OF A GENERAL LIBERAL-  
IZATION OF THE GSP COMPETITIVE NEED LIMIT.)

B) ECONOMIC ASSISTANCE:

JAL DEVELOP AS RAPIDLY AS POSSIBLE A NEW BILATERAL ASSISTANCE  
PROGRAM WITH COSTA RICA THAT IS GEARED TO MIDDLE INCOME COUNTRIES.  
ANNOUNCE THAT COSTA RICA'S DEMOCRATIC SYSTEM AND HUMAN RIGHTS  
PERFORMANCE HAVE BEEN TLA KEY FACTORS IN THE U.S.G. CHOICE FOR  
COSTA RICA FOR SUCHIX PROGRAM.

C) SCHOLARSHIP PROGRAM:

1) ESTABLISH A NEW U.S.G.-FUNDED GRADUATE LEVEL SCHOLARSHIP  
PROGRAM FOR COSTA RICANS WHO WILL RETURN TO TEACH IN LOCAL  
UNIVERSITIES. GIVE THE PROGRAM A SPECIAL NAME, AND ANNOUNCE  
THAT ITS RAISON D'ETRE IS TO BROADEN AND DEEPEN LINKS BETWEEN  
DEMOCRATIC COUNTRIES (SEE ISSUE 3).

D) HUMAN RIGHTS:

1) DETERMINE THAT THE U.S.G. WILL WORK ACTIVELY WITH COSTA RICA  
IN THE UN THIS YEAR TO ENACT THE TEN-YEAR OLD COSTA RICAN  
PROPOSAL TO ESTABLISH A HIGH UN COMMISSIONER FOR HUMAN RIGHTS.  
SEND A HIGH-LEVEL U.S. TEAM TO SAN JOSE TO CONSULT WITH THE  
GOCR IN THIS EFFORT PRIOR TO THE FALL 1977 UNGA.

ISSUE NO. 2: ACCESS TO COSTA RICA'S HYDROELECTRIC POTENTIAL:

(1) STATEMENT:

A). WHETHER THE U.S.G. CAN AND SHOULD ENCOURAGE U.S. ALUMINUM PRODUCERS TO EXPLOIT THE OPPORTUNITY PRESENTED BY THE  
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UNDEVELOPED HYDROELECTRIC POTENTIAL OF COSTA RICA AND OTHER CENTRAL AMERICAN COUNTRIES BY LOCATING ALUMINUM SMELTERS IN COSTA RICA AND OTHER CENTRAL AMERICAN COUNTRIES, AND THEREBY REDUCING U.S. OIL IMPORTS.

(2) DISCUSSION:

THE PRIMARY ALUMINUM INDUSTRY IN THE U.S. EMPLOYS LESS THAN 25,000 WORKERS, YET IS A SIGNIFICANT SOURCE OF POLLUTION AND AN ENORMOUS CONSUMER OF SCARCE ELECTRIC POWER, MUCH OF WHICH HAS TO BE GENERATED BY BURNING OUR SCARCEST AND MOST VALUABLE FUEL, NATURAL GAS. THE PRIMARY ALUMINUM INDUSTRY USES 98 BILLION KILOWATT HOURS OF ELECTRIC POWER PER YEAR (10KWH OF ELECTRICITY ARE NEEDED TO PRODUCE EACH POUND OF ALUMINUM). IF ALL OF OUR ALUMINUM WERE PRODUCED ABROAD AND IMPORTED IN THE FORM OF INGOTS, INSTEAD OF IMPORTING BAUXITE TO PROCESS WITH OUR SCARCE ELECTRICITY RESOURCES, THE ENERGY SAVING WOULD BE SUFFICIENT TO REDUCE OUR OIL IMPORTS BY SOME 172 MILLION BARRELS PER YEAR (471,329 BARRELS PER DAY).

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NSC-05 TRSE-00 USIA-06 /083 W  
-----061930Z 088338 /40

R 061745Z APR 77

FM AMEMBASSY SAN JOSE  
TO SECSTATE WASHDC 6964

INFO AMEMBASSY TEGUCIGALPA  
AMEMBASSY MANAGUA  
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(3) EXISTING SMELTER CAPACITY IN THE U.S. WILL HAVE TO BE REPLACED GRADUALLY OVER THE NEXT DECADE BY SMELTERS ABROAD, AND ANY ADDITIONAL SMELTER CAPACITY WILL HAVE TO BE BUILT ABROAD, BECAUSE THE FACTOR THAT MAKES PRODUCTION OF ALUMINUM ECONOMICALLY FEASIBLE IN THE U.S. AT THIS TIME IS THE AVAILABILITY OF POWER UNDER LONG-TERM CONTRACTS AT UNREALISTICALLY LOW PRICES. SOME SUCH CONTRACTS (AS WITH THE BONNEVILLE POWER ADMINISTRATION IN THE PACIFIC NORTHWEST AND WITH NATURAL GAS SUPPLIERS IN THE SOUTHWEST) WILL BE EXPIRING IN THE NEAR FUTURE. ALTHOUGH THE MOVEMENT OF ALUMINUM SMELTERS ABROAD APPEARS INEVITABLE, THE ALUMINUM COMPANIES ARE RELUCTANT TO TAKE THE FIRST STEPS BECAUSE THEY HAVE BEEN FRIGHTENED BY THE ATTITUDES OF MANY LDC COUNTRIES, ESPECIALLY BAUXITE-PRODUCING COUNTRIES THAT HAVE FORMED A BAUXITE CARTEL AND RAISED TAXES.

(4) LOCATING ALUMINUM SMELTERS ABROAD WOULD NOT NECESSARILY INCREASE OUR NATIONAL SUPPLY VULNERABILITY,  
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ESPECIALLY IF THE SMELTERS WERE SPREAD AMONG A LARGE NUMBER OF COUNTRIES AND IF THEY WERE LOCATED MAINLY IN FRIENDLY STABLE COUNTRIES SUCH AS COSTA RICA. IN FACT, OUR NATIONAL SECURITY MIGHT BE ENHANCED BECAUSE THE BAUXITE-PRODUCING COUNTRIES COULD NOT CUT OFF SUPPLIES OF BAUXITE WITHOUT CAUSING UNEMPLOYMENT AND TAX LOSSES IN THE OTHER DEVELOPING COUNTRIES WHERE THE SMELTERS WOULD BE LOCATED. IN ANY CASE, WE COULD HARDLY BE MORE VULNERABLE THAN WE ARE NOW, AS WE MUST IMPORT 85 PERCENT OF OUR BAUXITE NEEDS.

(5) THUS, IT WOULD APPEAR DESIRABLE FOR THE U.S.G. TO DEVELOP A COORDINATED PLAN TO HASTEN THE PROCESS OF MOVEMENT ABROAD OF THE PRIMARY ALUMINUM INDUSTRY AND TO WORK WITH THE COMPANIES CONCERNED TO ENCOURAGE THEM TO LOCATE SMELTERS IN GEOGRAPHICALLY DIVERSIFIED SITES IN FRIENDLY AND RELATIVELY STABLE COUNTRIES. THIS PLAN MIGHT INCLUDE INCENTIVES, SUCH AS ELIMINATING THE TARIFF ON ALUMINUM INGOTS OR PHASING IN A TAX ON USE OF SCARCE FUELS OR ELECTRICITY TO PRODUCE PRIMARY ALUMINUM.

(6) THE BORUCA DAM SITE IN COSTA RICA, WHERE ALCOA AND MARTIN-MARIETTA ARE GIVING SERIOUS CONSIDERATION TO LOCATING A SMELTER, COULD PRODUCE 567 MEGAWATTS OF ELEC-  
TRICITY, ENOUGH FOR A 300,000 TON ALUMINUM SMELTER. BUILDING THIS SMELTER WHICH WOULD BE EQUIVALENT TO 6 PERCENT OF U.S. ALUMINUM OUTPUT, AND SHIPPING ITS OUTPUT TO THE U.S. IN PLACE OF AN EQUIVALENT AMOUNT OF BAUXITE, WOULD SAVE THE U.S. 10.5 MILLION BARRELS PER YEAR IN OIL IMPORTS 'ONPPP B/D).

(7) COSTA RICA HAS OTHER HYDROELECTRIC AND GEOTHERMAL SITES THAT COULD ALSO BE DEVELOPED IN THE FUTURE TO PROVIDE POWER FOR ALUMINUM SMELTERS OR OTHER ENERGY-  
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INTENSIVE INDUSTRIES, AND ADDITIONAL FAVORABLE SITES ARE AVAILABLE IN OTHER CENTRAL AMERICAN COUNTRIES.

RECOMMENDATION:

(8) THAHMCS.G. SHOULD FORM AN INTERAGENCY TASK FORCE TO STUDY: THE HYDROELECTRIC POTENTIAL OF COSTA RICA (AND THE REST OF CENTRAL AMERICA); THE NEEDS OF AMERICAN ALUMINUM COMPANIES FOR NEW SMELTER SITES ABROAD OVER THE NEXT TEN YEARS (OWING TO INSUFFICIENT POWER AVAILABILITY AT ATTRACTIVE PRICES IN THE U.S.); THE FEASIBILITY OF A MAJOR PROGRAM TO ENCOURAGE AMERICAN COYIE,S TO ESTABLISH ALUMINUM SMELTERS AND OTHER ENERGY INTENSIVE INDUSTRIES IN CENTRAL AMERICA D THE INCENTIVES THAT WOULD BE NEEDED; THE TOTAL ENERGY SAVING FOR THE U.S. THAT WOULDNTESULT (IN TERMS OF THE NUMBER OF BARRELS OF OIL THAT WE WOULD NOT HAVE TO IMPORT AS A RESULT OF PROCESSING BAUXITE ORE ABROAD AND IMPORTING ALUMINUM. RATHER THAN IMPORTING BAUXITE AND SMELTING IT IN THE U.S.); THE FOREIGN POLICY AND DOMESTIC EMPLOYMENT IMPLICATIONS OR CONSEQUENCES OF SUCH A PROGRAM; AND THE POSSIBILITY OF PERSUADING THE WORLD BANK TO FINANCE NON-FOSSIL ENERGY PROJECTS ON TERMS THAT ARE SUFFICIENTLY ATTRACTIVE TO THE GOVERNMENTS OF COUNTRIES WHERE SUCH ENERGY RESOURCES ARE LOCATED.

ISSUE NO. 3: THE U.S. AND THE NEXT GENERATION OF  
COSTA RICAN LEADERSHIP:

(1) STATEMENT:

IN THE FACE OF EXTENSIVE AND EXPENSIVE SOVIET



(AND RUMANIAN, CUBAN, OTHER LATIN AMERICAN  
MARXIST) EFFORTS TO DEVELOP IDEOLOGICAL AND  
POLITICAL BADPS OF FUTURE INFLUENCE, THE U.S.  
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SHOULD PRESERVE ITS PRESENTLY FAVORABLE POSITION  
BY EFFECTIVELY CONTRIBUTING TO THE INTELLECTUAL FORMATION AND  
POLITICAL/IDEOLOGICAL PERSPECTIVE OF FUTURE  
COSTA RICAN LEADERS.

(2) DISCUSSION:

1. THE BEST ORGANIZED AND SUPPORTED STUDENT  
ORGANIZATIONS ON COSTA RICA'S UNIVERSITY  
CAMPUSES CONTINUE TO BE THOSE FACTIONS CON-  
TROLLED BY POLITICAL IDEOLOGIES OF AN ANTI-  
U.S., ANTI-DEMOCRATIC, SOCIALIST-TOTALITARIAN  
NATURE. ALSO, WHILE NUMBERS OF RADICAL, ANTI-  
U.S. PROFESSORS DO NOT APPEAR TO HAVE SIG-  
NIFICANTLY INCREASED, THEIR DISPLACEMENT INTO  
THE EDUCATIONAL SPECTRUM AND THEIR INFLUENCE  
HAS NOTABLY INCREASED.

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R 061645Z APR 77  
FM AMEMBASSY SAN JOSE  
TO SECSTATE WASHDC 6965  
INFO AMEMBASSY TEGUCIGALPA  
AMEMBASSY MANAGUA  
AMEMBASSY GUATEMALA  
AMEMBASSY SAN SALVADOR

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2. LOW COST PUBLICATIONS AND TEXTS REFLECTING OPPOSING POLITICAL AND ECONOMIC PHILOSOPHIES WILL CONTINUE TO BE READILY AVAILABLE IN BOOK STORES AND LIBRARIES ON AND OFF CAMPUS.

3. EXPANDED RELATIONSHIPS WITH COMMUNIST COUNTRIES WILL CONTINUE TO INCREASE THE NUMBER OF SCHOLARSHIPS AND THE AVENUES THROUGH WHICH THEY ARE OFFERED. THE COSTA RICAN GOVERNMENT IS ALREADY CONCERNED ABOUT HOW TO LIMIT THE NUMBER OF GRANTS OFFERED BY THE SOVIETS ALONE. LAST YEAR BETWEEN THE SOVIETS AND THE RUMANIANS SOME 54 OFFICIAL SCHOLARSHIPS WERE GIVEN TO COSTA RICAN STUDENTS. THESE GRANTS COVERED SIX YEARS OF STUDY. THE TOTAL NUMBER OF COSTA RICAN STUDENTS STUDYING IN THE SOVIET UNION AND RUMANIA NOW EXCEEDS 250.

4.() WITHOUT PERCEIVING COSTA RICA AS A COLD WAR BATTLEGROUND, THE U.S. CAN SOBERLY BUT CERTAINLY CONCLUDE THAT THIS EXTENSIVE EFFORT IS DESIGNED TO NEUTRALIZE, OR TO REVERSE, THE CONDITIONS OF POLITICAL/IDEOLOGICAL COMPATIBILITY THAT NOW CHARACTERIZE THE U.S.-COSTA RICAN RELATIONSHIP. GIVEN COSTA RICA'S GEOGRAPHIC POSITION AND ITS STATUS AS ONE OF

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THE VERY FEW GENUINE DEMOCRACIES IN LATIN AMERICA, THE U.S. CAN ALSO SAFELY CONCLUDE THAT ITS POLITICAL INTERESTS WOULD BE ILL-SERVED WERE THE SOVIETS SUCCESSFULLY TO ATTAIN THEIR OBJECTIVE.

5. ALTHOUGH OVER 100 COSTA RICAN STUDENTS ENTER AMERICAN UNIVERSITIES EACH YEAR WITHOUT U.S.G. AID, VERY FEW OF THESE RETURN TO TEACH IN COSTA RICA'S HIGH SCHOOLS AND UNIVERSITIES. RATHER, MOST OF THEM ARE CHILDREN OF UPPER MIDDLE AND UPPER CLASS FAMILIES PREPARING FOR PRIVATE BUSINESS, COMMERCIAL, AND PROFESSIONAL CAREERS.

6. THE ONLY WAY TO ASSURE THAT THERE IS A MINIMALLY ACCEPTABLE PRESENCE OF U.S.-ORIENTED EDUCATORS IN THE KEY AREAS OF EDUCATIONAL POLICY, CURRICULUM DEVELOPMENT, SCHOOL ADMINISTRATION, SOCIOLOGY, POLITICAL SCIENCE, ECONOMICS, JOURNALISM, AND ENGLISH, IS TO INCREASE THE NUMBER OF EXCHANGE PROGRAM GRANTS. THE MIDDLE TO LOWER INCOME FAMILY STUDENTS WHO MORE OFTEN GRAVITATE TOWARD GOVERNMENT/EDUCATIONAL CAREERS CAN ONLY BE REACHED THROUGH AN OFFICIALLY SPONSORED EXCHANGE PROGRAM.

RECOMMENDATION:

7. THE DEPARTMENT SHOULD INCREASE THE EDUCATIONAL EXCHANGE PROGRAM ALLOCATION BY \$50,000 A YEAR TO PROVIDE FOR TEN ADDITIONAL GRADUATE STUDENT AND FACULTY SCHOLARSHIPS, PRIMARILY IN THE SOCIAL

SCIENCES, FOR SELECTED STUDENTS FROM COSTA RICAN UNIVERSITIES AND COLLEGES. THIS RELATIVELY SMALL INVESTMENT WOULD PAY GREAT DIVIDENDS IN THAT IT WOULD HAVE SIGNIFICANT IMPACT ON CURRICULUM DEVELOPMENT, CLASSROOM TEACHING, AND TEACHER ATTITUDES AND PERSPECTIVES, THUS HELPING TO ENRICH THE EDUCATION OF PRESENT-DAY STUDENTS AND FUTURE LEADERS.

AS A COROLLARY TO THE ABOVE, THE U.S.G. SHOULD RE-EXAMINE  
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THE MERITS, POLITICAL, CULTURAL, AND EDUCATIONAL, OF PROVIDING LOW-COST TRANSLATIONS (AND ENGLISH ORIGINALS) OF U.S.-PRODUCED LITERARY WORKS AND SOCIAL SCIENCE, PHYSICAL SCIENCE, AND TECHNOLOGY TEXTS AS WELL AS TEXTS COVERING MODERN ENGLISH-TEACHING METHODOLOGY. KILDAY

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